

## **Assembly Bill No. 2081**

### **CHAPTER 89**

An act to amend Sections 1266, 1274, 1510, 5200, 15235, 35331, 35534, and 35542 of the Education Code, relating to education.

[Approved by Governor July 15, 2010. Filed with  
Secretary of State July 15, 2010.]

#### **LEGISLATIVE COUNSEL'S DIGEST**

AB 2081, Committee on Education. Education.

(1) Existing law requires the county superintendent of schools, upon the request of the governing board of a school district within his or her jurisdiction that elects to take advantage of specified provisions of law, to transfer a specified sum from the general fund of the school district to the school maintenance and repair fund.

This bill would delete obsolete cross-references relating to these provisions and would make technical changes.

(2) Existing law authorizes a county superintendent of schools to establish a fund or funds for losses and payments, including, but not limited to, property of the superintendent, any liability, and workers' compensation, in the county treasury for the purpose of covering the deductible amount under deductible types of insurance policies, losses or payments arising from self-insurance programs, or losses or payments due to noninsured perils. Existing law specifies that these provisions do not preclude a county superintendent from providing protection against those losses and liability partly by means of insurance written by acceptable insurers.

This bill would delete an obsolete cross-reference relating to insurance and would make technical changes.

(3) Existing law requires that all expenses necessary for the county board of education, the county committee on school district organization, and the county superintendent of schools, to comply with certain provisions of law, are payable from the county general fund, except as specified.

This bill would delete an obsolete cross-reference relating to these provisions.

(4) Existing law requires a unified school district that is coterminous with or includes within its boundaries a chartered city or city and county to be governed by the board of education provided for in the charter of the city or city and county. Existing law exempts such a unified school district from certain provisions of law, except as specified.

This bill would delete an obsolete cross-reference relating to these provisions and would make technical changes.

(5) Existing law requires that certain school funds be transferred to the special reserve fund of a school district, or designated building fund of a community college district, and be used only for specified purposes.

This bill would delete obsolete cross-references relating to these provisions.

(6) Existing law authorizes the governing board of a school district or the county superintendent of schools of a county to, among other things, conduct field trips or excursions in connection with courses of instruction or school-related social, educational, cultural, athletic, or school band activities.

This bill would delete an obsolete cross-reference relating to these provisions.

(7) Existing law provides that any action to reorganize a school district shall be effective for all purposes on July 1 of the calendar year following the calendar year in which the action is completed, except as specified.

This bill would correct an erroneous cross-reference relating to these provisions.

(8) Existing law provides that whenever the boundaries of an elementary school district and a high school district become coterminous, the districts are merged into a new unified district. Existing law authorizes an elementary school district that has boundaries within a high school district to be excluded from an action to unify those districts if the governing board receives approval from the State Board of Education.

This bill would instead authorize an elementary school district that has boundaries within a high school district to be excluded from an action to unify those districts if the governing board receives approval from the county committee, if specified conditions are met, or from the state board if these conditions are not met.

*The people of the State of California do enact as follows:*

SECTION 1. Section 1266 of the Education Code is amended to read:

1266. Whenever the county superintendent of schools of any county provides for the maintenance and repair of the property of any school districts under his or her jurisdiction that elect to take advantage of the provisions of Sections 1267 to 1270, inclusive, he or she shall, upon the request of the governing board of that district, transfer from the general fund of the district to the “school maintenance and repair fund” a sum not to exceed 1 percent of the amount apportioned from the State School Fund to the district during the fiscal year in which the governing board of the district notifies him or her of its election to take advantage of the provisions of Sections 1267 to 1270, inclusive.

SEC. 2. Section 1274 of the Education Code is amended to read:

1274. The county superintendent of schools may establish a fund or funds for losses, and payments, including, but not limited to, property of the county superintendent of schools, any liability, and workers’

compensation, in the county treasury for the purpose of covering the deductible amount under deductible types of insurance policies, losses or payments arising from self-insurance programs, or losses or payments due to noninsured perils. In the fund or funds shall be placed such sums, to be provided in the budget of the county superintendent of schools, as will create an amount which, together with investments made from the fund or funds, will be sufficient in the judgment of the county superintendent of schools to protect the county superintendent of schools from those losses or to provide for payments on the deductible amount under deductible types of insurance policies, losses or payments arising from self-insurance programs, or losses or payments due to noninsured perils. Nothing in this section shall be construed as prohibiting the county superintendent of schools from providing protection against those losses or liability for the payment of claims partly by means of the fund or funds and partly by means of insurance written by acceptable insurers.

The fund or funds shall be considered as separate and apart from all other funds of the county superintendent of schools, and the balance therein shall not be considered as being part of the working cash of the county superintendent of schools in compiling annual budgets.

Warrants may be drawn on, or transfers made from, the fund or funds so created only to reimburse or indemnify the county superintendent of schools for losses as herein specified, and for the payment of claims, administrative costs, related services, and to provide for deductible insurance amounts and purchase of excess insurance. The warrants or transfers shall be within the purpose of the fund or funds as established by the county superintendent of schools.

The cash placed in the fund or funds may be invested and reinvested by the county treasurer, with the advice and consent of the county superintendent of schools, in securities which are legal investments for surplus county funds in this state. The income derived from the investments, together with interest earned on uninvested funds, shall be considered revenue of and be deposited in the fund. The cost of contracts or services authorized by this section are appropriate charges against the respective fund.

The county superintendent of schools may contract for investigative, administrative, and claims adjustment services relating to claims. The contract may provide that the contracting firm may reject, settle, compromise, and approve claims against the county superintendent of schools, its officers or employees, within those limits and for those amounts as the county superintendent of schools may specify, and may provide that the contracting firm may execute and issue checks in payment of those claims, which checks shall be payable only from a trust account which may be established by the county superintendent of schools. Funds in the trust account established by the county superintendent of schools pursuant to the provisions of this section shall not exceed a sum sufficient as determined by the superintendent to provide for the settlement of claims for a 30-day period. The rejection or settlement and approval of a claim by the contracting firm in accordance

with the terms of the contract shall have the same effect as would the rejection or settlement and approval of the claim by the county superintendent of schools. The contract may also provide that the contracting firm may employ legal counsel, subject to those terms and limitations as the county superintendent of schools may prescribe, to advise the contracting firm concerning the legality and advisability of rejecting, settling, compromising, and paying claims referred to the contracting firm by the county superintendent of schools for investigation and adjustment, or to represent the superintendent in litigation concerning the claims. The compensation and expenses of the attorney for services rendered to the county superintendent of schools shall be an appropriate charge against the appropriate fund.

The contract provided for in this section may contain any other terms and conditions the county superintendent of schools may consider necessary or desirable to effectuate the superintendent's self-insured programs.

In lieu of, or in addition to, contracting for the services described in this section, the county superintendent of schools may authorize an employee or employees to perform any or all of the services and functions which the county superintendent of schools may contract for under the provisions of this section.

As used in this section, "firm" includes a person, corporation, or other legal entity.

A county superintendent of schools may participate in, or administer, insurance for one or more school or community college districts pursuant to this section, and Section 81602.

SEC. 3. Section 1510 of the Education Code is amended to read:

1510. (a) Except as provided in Section 1500, all expenses necessary for the county board of education, the county committee on school district organization, and the county superintendent of schools to comply with the following provisions are payable from the county general fund: Sections 1090, 1091, 1092, 1093, 1094, 1095, 1096, 1200, 1201, 1202, 1203, 1240, 1243, 1244, 1245, 1290, 1298, 2600, 5425, 5426, 10020, 16061, 16166, 23000, 23002, 23003, 23004, 23005, 23006, 23008, 35102, 40000, 42124, 42636, 42638, 42643, 42662, 42670, 42671, 42672, 42673, 42674, 42675, 42676, 42677, 42678, 42690, 42691, 42692, 42693, 42694, 42800, 44323, 44422, 44427, 44428, 44429, 44430, 44433, 44434, 44435, 44436, 44437, 44816, 44843, 44857, 45034, 45056, 45057, 48263, 49406, 52550, 52551, 85236, 85238, 85243, 85272, 85280, 85281, 85282, 85283, 85284, 85285, 85286, 85287, 85288, 85300, 85301, 85302, 85303, and 85304.

(b) This section shall not be construed to prohibit support from the county general fund from being provided for duties and services performed pursuant to sections enumerated above for those counties operating under the provisions of Section 1080.

SEC. 4. Section 5200 of the Education Code is amended to read:

5200. Any unified school district that is coterminous with or includes within its boundaries a chartered city or city and county shall be governed by the board of education provided for in the charter of the city or city and

county. Sections 5000, 5017, 5090, 5091, 35013, 35101, and 35105 shall not apply to such unified school districts, except as follows:

(a) As provided in the charter of the city or city and county.

(b) If the charter of the city or city and county fails to provide for a board of education or for any or all of the matters specified in Sections 5000, 5017, 5090, 5091, 5222, 35013, 35101, and 35105, those sections shall apply as to the matter not provided for in the charter.

SEC. 5. Section 15235 of the Education Code is amended to read:

15235. Any money paid into the county treasury of the county and credited to the interest and sinking fund of any district remaining after the payment of all bonds and coupons payable from the fund, or which is in excess of an amount sufficient to pay all unpaid bonds and coupons payable from the fund, shall be transferred to the special reserve fund of the school district, or designated building fund of the community college district upon the order of the auditor, and may be used only for the purpose specified in Section 42840 or in accordance with the California Community Colleges Budget and Accounting Manual and for no other purpose.

SEC. 6. Section 35331 of the Education Code is amended to read:

35331. (a) The governing board of any school district conducting excursions and field trips pursuant to this article shall provide, or make available, medical or hospital service, or both, for pupils of the district injured while participating in any excursion or field trip under the jurisdiction of, or sponsored or controlled by, the district or the authorities of any school of the district.

(b) (1) The medical or hospital service, or both, described in subdivision (a) shall be provided, or made available, through any of the following:

(A) One or more nonprofit membership corporations defraying the cost of medical or hospital service, or both.

(B) One or more group, blanket, or individual policies of accident insurance from an authorized insurer.

(C) A self-insurance program of the school district.

(2) The cost incurred by the school district pursuant to this subdivision may be paid from the funds of the district, or by the insured pupil or his or her parent or guardian.

(3) The membership may be taken in, or the insurance may be purchased from, only those corporations or insurers that are authorized to do business in this state. If the coverage described in this subdivision is to be provided through a self-insurance program of the school district, claims may be paid from a fund established for that purpose.

SEC. 7. Section 35534 of the Education Code is amended to read:

35534. Except as provided in Sections 35536 and 35786 and subject to compliance with Section 54900 of the Government Code, any action to reorganize a school district shall be effective for all purposes on July 1 of the calendar year following the calendar year in which the action is completed.

SEC. 8. Section 35542 of the Education Code is amended to read:

35542. (a) Whenever the boundaries of an elementary school district and a high school district become coterminous, the districts are merged into a new unified district.

(b) Notwithstanding subdivision (a), an elementary school district that has boundaries that are totally within a high school district may be excluded from an action to unify those districts if the governing board receives approval for an exclusion from the county committee if the conditions of subdivision (b) of Section 35710 are met or from the state board if those conditions are not met. Any elementary school district so authorized to be excluded from an action to unify may continue to feed into the coterminous high school under the same terms that existed before any action to unify pursuant to subdivision (a).